



WATER PERFORMANCE
INDICATOR REVIEW

WORKING GROUP 2 MINUTES

MAY 2012



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CONTENTS

1. Working group members	2
2. Indicators proposed for removal	3
RES 5 – Customers receiving 1, 2, 3, & 4+ sewer blockages in a year	3
DWQ 1 – Standards for drinking water quality	3
CRR 2 – Effluent reuse - water resource management	3
3. Proposed indicator modification	4
REW 6 – Water supply interruptions restored within 5 hours	4
REW 7 – Water supply customer interruptions (no.)	4
UPP 1 – Instalment plans	4
CRS 7/8 – Affordability/Billing Complaints	5
CRS 4 – Water quality complaints	5
CRS 9 – Pressure complaints	5
CRR 2 – Effluent reuse - water resource management	5
Amendments and clarifications	6
Other items discussed	6
Western Water submission on recycled water systems	7
4. Proposed new indicators and categories	8
PRO 1 – Operation maintenance and administration costs per customer	8
PRO 2 – Cost to service (\$ per customer)	8
INN – Innovation indicators	8
UPP 7 – Physical visits	9
TDW 1 – Trade waste	9
CRS 2 – First call resolution	9
CRS 4 – Customer satisfaction survey	10
Other – kW hours per mL of water produced	10
Other – Actual vs. approved capex/opex	10
Other – Customer debt levels	11
Next steps	11
5. Attachments to circulate with minutes	12



1. Working group members

Monday, 28 May 2012: 10:30am - 3.00pm	
<p><u>Attendees:</u></p> <p>Denis Musaefendic (Barwon Water) Colin Young (Central Highlands Water) Andre Kersting (City West Water) Rob Carlesso (East Gippsland Water) Brett Millington (East Gippsland Water) Donna Bui (Melbourne Water) Satish Sridharan (South East Water) Steve Kearns (Wannon Water) Vicki Pinder (Western Water) Judy Wignell (Western Water) Maurice Hanratty (Yarra Valley Water) David Sheehan (DH) Binhur Sappideen (DSE) Belinda Crivelli (EWOV)</p> <p><u>Apologies</u></p> <p>Jarrah O'Shea (Coliban Water)</p> <p><u>Not in attendance</u></p> <p>John Day (North East Water) Rodney Dedman (Department of Health) Travis Derricott (VAGO) Alison Le Fevre (South East Water) Danielle Roche (City West Water)</p>	<p><u>ESC:</u></p> <p>Marcus Crudden (Meeting Chair) Michael Duncan Victoria Hein Kerri Heron Chris Hutchins</p>



2. Indicators proposed for removal

All indicators proposed for removal were accepted by the working group. The following indicators were discussed in more detail.

RES 5 – Customers receiving 1, 2, 3, & 4+ sewer blockages in a year

Discussion

- Did we decide that REW 9 should be made to match this indicator? (for example: only 3+ water interruptions in a year).
- ESC: no, there are standards that need to be met that mean we cannot change REW 9 to match RES 5.

Action

- RES 5 will be removed.
- No change to REW 9.

DWQ 1 – Standards for drinking water quality

Discussion

- DH can provide data to the ESC early November of each year.
- This means the ESC can collect the data from DH and does not need to request the information from the water businesses.
- This would mean the indicator would need to be removed from the template.

Action

- DH will look into the definition and information on the term “zone”.
- ESC will work with DH to collect data directly from them. Continue as is until this is confirmed.

CRR 2 – Effluent reuse - water resource management

Discussion

- Refer to discussion in section 3

Action

- Remove CRR 2 and just use CRR1.



3. Proposed indicator modification

All indicators proposed for modification were accepted by the working group. The following indicators were discussed in more detail.

REW 6 – Water supply interruptions restored within 5 hours

Discussion

- Agreed last working group to change to remove 3 and 12 hours.
- Do we need to define what interruptions means.
- If water is replaced with a taker is in not included as in interruption.
- If bottled water is supplied to a customer, this is still considered an interruption.
- Night works are still considered an interruption, even if all customers are sleeping and not disturbed.
- Any water shut down (planned or unplanned) is considered an interruption.

Action

- No change to definition of interruption.
- Proceed with change to 5 hours only.

REW 7 – Water supply customer interruptions (no.)

Discussion

- There are already ample indicators around interruptions.
- ESC: are any water businesses adding this to their GSLs?
- What value is this indicator?
- Some businesses collect this indicator for their customers – but not all water businesses would find it useful.
- Some businesses want to only record if the interruption is disturbing customer. They only give the GSL payment if a customer complains about the interruption taking longer than indicated. Some businesses send out the GSL payment when they go over time if the customer complaints or not, even though the longer interruption may not have actually disturbed the customer.
- Maybe we should measure the number of GSL payments made each year.
- Note: we already collect the dollar value of GSL payments made each year.

Action

- No change to REW 7.
- Create a new indicator that measure the number of GSL payments made each year – CRS 12.

UPP 1 – Instalment plans

Action

- Change “domestic” to “residential”
- Check other indicators that use the term “domestic” and also change them to “residential” for consistency.



CRS 7/8 – Affordability/Billing Complaints

Discussion

- Barwon Water still wants this indicator to be split into the two separate categories.
- ESC: businesses can continue to split complaints as they see fit internally, but they will report just the one number to us.
- What about the difference between residential and non-residential customer? Will we split it this way as well? Some businesses believe that once the new water plans come out and water prices increase they will have an increased level of complaints from non-residential customers.

Action

- Proceed with combining these indicators.

CRS 4 – Water quality complaints

Discussion

- DH has reviewed 2009/10 and 2010/1 complaints and found complaints for each category. They are comfortable keeping the splits but would prefer to see them aligned.
- Water businesses want the ESC definition to be in line with the DH definition.
- We could collect the “total number of water quality complaints” and have the breakdown be collected from DH.
- It would be important for the DH and ESC numbers to equal one another for consistency.

Action

- ESC to amend template to collect total number of complaints only to remove split of Colour, Taste and odour, Blue water, Other.
- Rely on and refer readers of DH data for split.

CRS 9 – Pressure complaints

Discussion

- Identification that it is not pressure but flow rate that is the important factor.

Action

- Change “pressure” to “flow rate” as there are no standards for pressure but there are standards for flow rate.

CRR 2 – Effluent reuse - water resource management

Discussion

- 1, 2, and 4 are technically Class A water.
- 3 is Class C water.
- The definition for Class A & C can be found from the EPA.
- Do we need the split for this indicator? Do we need to collect the additional data?
- The issue is not the split, but that it is split twice.
- Is CRR2 needed or is CRR1 enough.

Action

- Remove CRR 2 and just have CRR1.



Amendments and clarifications

All indicators proposed for modification were accepted by the working group.

Action

- The ESC will:
 - add references to the indicators that currently do not have a reference
 - add both the ESC reference and the NWC reference to the template
 - add the definitions of the indicators to the template
 - put the indicators in alphabetical order based on their reference.

Other items discussed

The ESC will also implement the following changes to the template and definitions.

- Remove sewer spills not caused by blockages (No.) from the template (no indicator reference)
- Remove sewer spills to customer properties restored within 5 hours (No. spills) (no indicator reference)
- RES 9 – Customers affected by sewerage interruptions restored within 5 hours, will be changed to x hours and the definition will note this is tied to GSL targets.



Western Water submission on recycled water systems

Discussion

- How many water businesses have recycled systems and how many customers do they service?
- Yarra Valley Water has three systems that service about 1000 customers.
- City West Water has 2500 customers, but expect this to increase greatly overtime.
- The businesses want to start the discipline early, before it is required for all businesses. They fear that they will each develop their own systems and it will be too difficult to combine all the systems later on. It would be easier to all work off the same definitions and formatting from the start.
- Should interruptions to recycled systems be counted as interruptions in the normal category or should they be counted separately?
- Response times to problems would be better if the businesses were reporting these figures to someone.
- It could be on a separate tab of the spread sheet. The information provision does not need to be compulsory.
- From an investment perspective this is a big issue.
- If businesses will be required to report this in future years, they would prefer to start sooner rather than later.
- Basic data such as the number of residents connected to third pipes and the number of interruptions occurring would be a useful start.
- The ESC should look at all of the expected capex on recycled water and will see how big an issue this will be.

Action

- The definition on “interruption” should be clear that it does include interruptions to a third pipe.
- The water businesses will develop some possible options to change the templates to reflect the indicators that would be of use in monitoring the performance of a third pipe network and will send them to the ESC.



4. Proposed new indicators and categories

PRO 1 – Operation maintenance and administration costs per customer

Discussion

- Regional businesses will not do well on these indicators due to their size and the number of customers they service. Economies of scale puts rural businesses at a disadvantage.
- It may be better to measure “cost per mL of water produced” or “cost per mL of water treated”.
- DSE collects something like this indicator but is sure to explain the context when discussing the results. Where it can be compared it makes sense but comparisons can only occur in peer groups.
- Maybe this should be segmented by network density.
- This is not an effective measure of efficiency.
- DSE report on the volume of water produced, but we could report on a per customer basis.
- This would be split by water and sewerage – not what is currently listed on the indicator.

Action

- Further consideration of this indicator to be potentially included in a new but separate financial orientated document beyond the 2012-13 reporting period.

PRO 2 – Cost to service (\$ per customer)

Discussion

- Each business will measure this indicator differently.
- Where will administrative costs be added on?
- What about empty lots? They may be connected to water but not to sewerage.
- What are we attempting to achieve? What does this indicator mean?
- This indicator will make metropolitan businesses look much better and regional businesses will look much worse.
- We could use costs that are already collected by the ESC to calculate this measure.

Action

- The ESC will do some calculations of what this measure will look like and send it to working group participants.
- There will be no split for this indicator.
- Further consideration of this indicator to be potentially included in a new but separate financial orientated document beyond the 2012-13 reporting period.

INN – Innovation indicators

Discussion

- Ron defines innovation as something that improves productivity overtime.
- This indicator will drive different thinking in the industry.
- The innovation needs to be linked to an outcome.
- A business may improve their water quality but this does not lead to an improvement in productivity.
- We must be clear on how we measure productivity.
- The outcomes of innovation would be shown in the outcomes of other indicators.



- We could use a peer review panel to evaluate innovation and have the best innovative ideas turned into a case study every year.
- This is similar to the AWA Innovation Rewards and the Safe Water Awards.
- If an action is new to a businesses it will probably be considered innovative to them.
- Difficult to clearly quantify innovation and different organisation will have different beliefs on what is innovative.

Action

- The ESC will present the idea of a panel that reviews innovative results and develops case studies to the Commissioners.
- Further consideration of this indicator to be potentially included beyond the 2012-13 reporting period.

UPP 7 – Physical visits

Discussion

- Physical visits can be for non-payment, legal action etc and will therefore not equal the number of restrictions that occur.
- EWOV says that the businesses need to keep details of their physical visits to ensure they are not required to make a GSL payment.

Action

- Include “restrictions:” to the definition.
- Include “and/or legal action” to the definition.

TDW 1 – Trade waste

Discussion

- This measure will look at trade waste agreements and if the business has done their duty in check. This needs to be auditable.
- This could be done through documentation and record keeping of visits and meetings.
- What are we attempting to achieve?
- Auditing the agreements is most important because the water business has an obligation to the business.
- We are not concerned if the businesses pass or fail the inspection – just that the inspection took place.
- Some businesses do not really see this indicator as important.

Action

- This indicator will be included in performance reporting from the 2012/13 reporting period.

CRS 2 – First call resolution

Discussion

- Yarra Valley Water like this indicator but understands that it is difficult to measure.
- South East Water measures this indicator through their customer satisfaction survey. They consider it a good measure for the CSS but think it is less useful on its own.
- This could be measured by making it a specific question at the end of every phone call.
- Customer effort score is a more useful measure.
- We want to get away from calls answered within 30 seconds.
- Calls irritant measure: unnecessary v necessary calls.



- First call resolution vs. first contact resolution. There are more ways to contact the business other than the telephone.
- Faults should not be included in the first call resolution measure.
- Could measure customers in hardship and how well they were handled on the first call.
- Hardship is an ongoing interaction so this would not work.

Action

- Yarra Valley Water will let the ESC know how they measure this indicator.
- Other businesses have been asked to provide the ESC with detail on how they measure or collect this indicator.
- This will not be ready for 1 July 2012 – more work is required.
- ESC to circulate the CSBA website review report when complete.
- Further consideration of this indicator to be potentially included beyond the 2012-13 reporting period.

CRS 4 – Customer satisfaction survey

Discussion

- Will this mean the individual water businesses CSS will no longer exist?
- We attempt this before in water and was too difficult to get businesses to change.
- A change would mean that time series data would no longer be useful.
- Some businesses already get a very high rating – what does this mean? Is this useful anymore?
- Businesses do not want the survey to take too long (i.e. not longer than 10 minutes on the telephone.)

Action

- Further consideration of the development of a set of common questions to include in the CSS will be investigated to be potentially included beyond the 2012-13 reporting period.

Other – kW hours per mL of water produced

Discussion

- Are offsets included in this calculation?
- It is important to note that this measure has nothing to do with the cost of electricity or the Carbon Tax.
- Many businesses would have an explanation for their results.
- This indicator would need to be for both water and sewerage.
- This indicator may improve the efficiency of business.

Action

- The ESC will send additional IPART information to working group members.
- Further consideration of this indicator to be potentially included as PRO indicator beyond the 2012-13 reporting period.

Other – Actual vs. approved capex/opex

Discussion

- There is a fear that one year a business would over spend and the next year they would underspend. This would result in their average being correct but their annual results may not be good.



- There may be issues with the regulatory accounts and the due dates.
- City West Water already does this.
- Generally customers like to know where the money is being spend and how well the business is tracking.
- Should this be part of the report or its own project?

Action

- Further consideration of this indicator to be potentially included in a new but separate financial orientated document beyond the 2012-13 reporting period.

Other – Customer debt levels

Discussion

- How much is the debt? How long are people holding the debt?
- The amount of debt that is 60 + days overdue
- This may be an internal measure that could create perverse incentives if publically reported. For example, businesses may clear debt to look better.

Action

- Wannon Water, East Gippsland Water and Western Water will send the ESC details on how they currently calculate this measure.
- Further consideration of this indicator to be potentially included in a new but separate financial orientated document beyond the 2012-13 reporting period.

Next steps

- The ESC will send out the minutes from working group 2.
- The ESC will send out a draft recommendations paper.
- Another meeting with the working group may be required.
- The working group may need to be ongoing (18 months) to work through some of the outstanding issues that were not resolved in this working group process.



5. Attachments to circulate with minutes

- IPART – Performance Report – NSW water utilities performance 2010-11: Compliance report
 - This can be downloaded at –
http://www.ipart.nsw.gov.au/Home/Industries/Water/Compliance_Performance_Reporting/Performance_Report_-_NSW_water_utilities_performance_2010-11_-_April_2012
 - This is relevant to productivity measures

- Department of Health response to utilisation of zones
 - David Sheehan has made the following observation [email 29 May 2012]:

Following on from yesterday's meeting, I have had a think about the issue of zones versus water sampling localities.

Ideally, the ESC reporting process would use the terminology "water sampling locality" instead of "zones", as "water sampling locality" is the term used in the Safe Drinking Water Regulations 2005, but, as far as I can tell, NWC uses the term "zone", and most other jurisdictions use "zone", as well.

For national consistency, the use of "zone" makes sense, but it would be appreciated if ESC could mark in a footnote, or detail in explanatory text, that a zone is equivalent to a water sampling locality, as defined in the Safe Drinking Water Regulations 2005.